

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Monday, February 7, 2005, 2:00 p.m.
Room W125, West Office Building, State Capitol Complex

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Merlynn T. Newbold, Committee Co-Chair
Sen. Chris Buttars
Sen. Allen M. Christensen
Sen. Gene Davis
Rep. Bradley G. Last
Rep. David Litvack
Rep. Steven R. Mascaro
Rep. Roz McGee
Rep. Paul Ray
Rep. Aaron Tilton

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Karman Samone, Salt Lake County Aging Services
Ronald Stromberg, Acting Executive Director, Department of Human Services
Pat Baker, Allies for Families, New Frontiers Project
Randy Bachman, Director, Division of Substance Abuse and Mental Health

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Newbold at 2:13 p.m.

1. Requests for Appropriations

Rep. Mascaro discussed S.B. 32 and S.B. 31. He stated that last week the committee heard testimony from many Medicaid recipients who struggle because of changes that were made in 2002 in the budget that took away vision and dental care. He said these bills address reinstating these services and cannot go before a standing committee before it has been dealt with in appropriations. He stated that one of the best ways to stem the growth of health care costs in our state is to use preventive measures. It is an incredible challenge. He said eliminating these benefits in 2002 did not cut costs but only transferred the costs elsewhere; to hospitals, charity services, and emergency services for example. He indicated that restoration of these services should be of first priority. This will not provide new services, but only restore what was there before.

2. Approval of Minutes

MOTION: Sen. Buttars moved to approve the minutes of 2-02-05 and 2-03-05. The motion passed unanimously with Sen. Davis absent at the time of the vote.

Sen. Killpack assumed the chair.

3. Voting on Department of Human Services

MOTION: Sen. Buttars moved to adopt the base budget for the Department of Human Services for FY 2006 in the amount of \$480,581,300, with \$204,877,800 from the General Fund, \$120,577,000 from federal funds and other

funds as listed on page 4, Tab 16, Human Services Summary. This includes funding for divisions listed in that same table. The individual division budgets are found behind Tabs 17-23 and are to be approved at the Analyst's levels.

SUBSTITUTE MOTION: Sen. Davis moved to adopt the base budget as moved by Sen. Buttars with the addition: "However we add the following unmet needs" and then add the priority list.

The motion failed with Sen. Killpack, Sen. Buttars, Sen. Christensen, Rep. Newbold, Rep. Last, Rep. Ray and Rep. Tilton voting in opposition; and Sen. Davis, Rep. Litvack, Rep. Mascaro, and Rep. McGee voting in favor.

The original motion passed unanimously.

MOTION: Sen. Davis moved to adopt the FY 2006 Analyst's recommended budget for the Department of Human Services Internal Services Funds in the amount of \$4,198,000 from Dedicated Credits - Intra-governmental Revenue as found on page 4, Tab 24 Internal Service Funds - Human Services. This includes an authorized FTE level of 34.5, no capital outlay, and service rates as shown on page 3 under the same Tab.

The motion passed unanimously.

MOTION: Rep. Last moved to approve an increase in the FY 2005 authorized FTE level in the Department of Human Services Internal Service Funds from 31.5 to 34.5.

The motion passed unanimously.

MOTION: Rep. Tilton moved to adopt the licensing fees for the Department of Human Services Office of Licensing as shown in the table on page 2 Tab 17 Executive Director Operations.

The motion passed unanimously.

MOTION: Rep. Ray moved to approve the transfer of \$100,800 General Fund from the Division of Child and Family Services' Administration budget to the Department of Workforce Services for the Commission on Marriage.

The motion passed unanimously.

Rep. Tilton moved to approve the following Legislative Intent Language for the Department of Human Services:

"It is the intent of the Legislature that funds appropriated for the home and community based services waiting list for people with disabilities be used exclusively for direct services and related support."

"It is the intent of the Legislature that funds appropriated for cost of living increases for employees of private service providers contracting with the Division of Services for People with Disabilities and the Division of Child and Family Services be used exclusively for that purpose. It is further the intent of the Legislature that these divisions report to the Health and Human Services Appropriations Subcommittee during the 2006 General Session and the use of such funds, based on reports from providers, regarding its distribution and impact on salaries of various categories of staff, including, but not limited to, administrators, supervisors and direct care workers."

"It is the intent of the Legislature that funds appropriated to the Office of Recovery Services for e-REP enhancements are non-lapsing."

"It is the intent of the Legislature that funds appropriated to the Office of Technology in the Executive Director Operations budget for e-REP enhancements are non-lapsing."

"It is the intent of the Legislature that funds appropriated for the Adoption Assistance program and the Out of Home Care program in the Division of Child and Family Services not lapse at the end of FY 2006. It is further the intent

of the Legislature that these funds be used for Adoption Assistance and Out of Home Care programs."

"It is the intent of the Legislature that if funds appropriated for Drug Courts and Drug Boards from the Tobacco Settlement Restricted Account for FY2005 be non-lapsing."

"It is the intent of the Legislature that up to \$350,000 of funds appropriated to the Division of Child and Family Services for adoption assistance may be used to hire up to six positions to provide adoptive parents with information, services, and counseling in an effort to prevent adoptive placements from failing, and to ensure efficient and appropriate services and accountability of funds."

"It is the intent of the Legislature that the Division of Services for People with Disabilities (DSPD) use non-lapsing funds carried over from FY 2005 to provide services for: 1) individuals needing emergency services, 2) individuals needing additional waiver services, 3) individuals aging out of state custody from the divisions of Child and Family Services and Juvenile Justice Services, and 4) individuals court ordered into DSPD services. DSPD will report to the Office of Legislative Fiscal Analyst the use of these funds."

"If funds are available, the Division of Substance Abuse and Mental Health is authorized to not lapse up to \$65,000 at the end of FY 2005. These funds are to be used for the purchase of computer equipment and software, capital equipment or improvements, and equipment or supplies."

"If funds are available, DCFS is authorized to not lapse up to \$50,000 at the end of FY 2005. These funds are to be used for the purchase of computer equipment and software."

"If funds are available, the Division of Aging and Adult Services is authorized to not lapse up to \$100,000. These funds are to be used for senior center renovations and to assist with vehicle maintenance and replacements within local area agencies on aging."

"If funds are available, the Foster Care Citizens Review Board is authorized to not lapse funds at the end of FY 2005. These funds are to be used solely for one-time development, maintenance, and upgrading of computer software and equipment and for recruitment, training and retention of volunteers."

After committee discussion, Sen. Christensen called for a question on the motion and a substitute motion was made.

SUBSTITUTE MOTION: Sen. Davis moved to delete the #8 intent language concerning non-lapsing funds carried over from FY 2005 in the Division of Services for People with Disabilities and bring it forth later after further discussion.

The substitute motion passed unanimously.

MOTION: Sen. Davis moved to add to the priority list the COLA for counties aging and substance abuse, mental health and local health departments, and other providers in DSPD at the same recommended level for public employees and to encourage the Executive Appropriations Committee to consider additional funding for increased costs for benefits of these employees.

The motion passed unanimously.

MOTION: Rep. Mascaro moved to add to the priority list \$7,674,000 from general funds for the Medicaid Dental program.

The motion was withdrawn.

MOTION: Rep. Litvack moved to include on the priority list \$300,000 general funds for the aging medicaid waiver fees to draw down federal funds to maintain current caseloads.

The chair asked for clarification. Karman Samone, Salt Lake County Aging Services, explained that on December 15, the Health Department informed the Area Agencies on Aging that they had a short fall in the budget for their Medicaid waiver of almost \$1 million. She said a \$300,00 Medicaid match would be needed to bring the Medicaid match to cover the \$1 million. She said without that funding the caseload would be reduced about one third.

The motion was withdrawn.

A discussion was held regarding the priority list. Rep. Mascaro requested \$351,800 for the Ombudsman Program. Rep. Last suggested \$250,000 for the New Frontiers. Ronald Stromberg, Acting Executive Director, Department of Human Services, clarified questions on the New Frontier supplemental for FY 2005. He said the \$50,000 was a one time supplemental request was to keep the program going through FY 2005. The \$200,000 would be on-going. He said the funding for the Ombudsman program is appropriated to the Division of Adult and Aging Services and then passed through to the counties. Pat Baker, Allies for Families, New Frontier Project, said the \$50,000 is a supplemental and the \$200,000 on going for New Frontiers would be appreciated. Sen. Christensen suggested that \$200,000 for Autism be given consideration.

MOTION: Rep. Newbold moved to put the following items be put on the priority list: State Hospital Forensic Beds for \$2,147,100; State Hospital, Clinical & OSHA Standards for \$305,100; Medication Cost Increases for the Developmental Center and the State Hospital for \$167,900; Autism, replacing the one time funds with on going dollars at \$50,000; FMAP change for \$1,892,100; Medicaid changes impact on local mental health, \$2 million one time funding; DSPD waiting list for \$500,000; DCFS caseload for \$3 million with flexibility for the Division to use it for Out of Home Care, Adoption Subsidies and additional caseworkers where most needed; David C. Settlement cost for \$269,500; and Aging Services for meals to replace one time funds for \$200,000.

SUBSTITUTE MOTION: Sen. Davis moved to amend and add to the original motion to make it \$2 million on going for Medicaid to local mental health and to add the COLA to the counties and providers.

After committee discussion, both motions were withdrawn.

MOTION: Sen. Christensen moved to make the State Hospital Forensic Beds for \$2,147,100; State Hospital, Clinical & OSHA standards for \$305,100; and medication cost increases for the state hospital for \$305,100 to be the first three items on the priority list.

After committee debate, Sen. Buttars called a question, which passed with Rep. McGee voting in opposition.

The original motion passed unanimously.

MOTION: Sen. Davis moved to make Autism replacement of one time funds for \$150,000, the FMAP change of \$1,892,000 and the Medicaid change impact on local mental health at \$3 million on going as items 4, 5, and 6.

SUBSTITUTE MOTION: Rep. Tilton moved to divide the motion.

The motion passed unanimously.

MOTION: Rep. Tilton moved to make Autism replacement of \$50,000 and an additional \$100,000 as on going fund as priority #7.

The motion passed with Rep. McGee voting in opposition.

MOTION: Sen. Davis moved to add \$1,892,100 for the FMAP change as priority #8.

The motion passed unanimously.

MOTION: Sen. Davis moved to add \$3 million on-going for local mental health Medicaid changes.

The motion passed with Sen. Buttars, Sen. Christensen, Sen. Davis, Rep. Litvack, Rep. Mascaro, Rep. McGee and Rep. Ray voting in favor; and Sen. Killpack, Rep. Newbold, Rep. Last and Rep. Tilton voting in opposition.

MOTION: Rep. Litvack moved to put \$1 million for the Division of Services for People with Disabilities waiting list on the priority list as #7.

The motion passed unanimously.

MOTION: Sen. Davis moved to reconsider previous actions and reinstate Item #8 on the intent language concerning non-lapsing funds for the Division of Service for People with Disabilities and add to that *"this issues will be studied by the Health and Human Service Interim Committee."*

The motion passed unanimously.

MOTION: Rep. McGee moved to place on the priority list the provider COLA to reflect increased given to state employees and additional funds for benefits.

SUBSTITUTE MOTION: Rep. Litvack moved that this committee go on record to encourage the Executive Appropriations Committee to consider a cost of living adjustment for employees of private provides for DSPD and local mental health and substance abuse and aging authorities and also that the Executive Appropriations Committee consider additional cost for benefits for these employees similar to increases funded for state employees.

After committee discussion, the substitute motion was withdrawn.

SUBSTITUTE MOTION: Rep. Last moved that the Division of Child and Family Services caseload be priority item #8 in the amount of \$3 million between Out of Home Care, Adoption Subsidies, and Additional Caseworker, and allow the Division flexibility to spend the funding as needed.

The motion passed unanimously.

MOTION: Rep. McGee moved to include as #9, \$1,825,250 million to provide a COLA and benefits to providers.

The motion passed with Rep. Newbold voting in opposition.

MOTION: Sen. Buttars moved to include the David C. Settlement costs as listed at \$269,500 as #10 on the priority list.

SUBSTITUTE MOTION: Rep. Litvack moved to substitute #10 with funding to the Division of Aging and Adult Services \$200,000 for service meals.

The substitute motion pass unanimously.

MOTION: Sen. Buttars moved to consider the David C. Settlement for \$269,500 as last on the priority list.

The motion passed with Rep. McGee voting in opposition.

MOTION: Rep. Mascaro moved to consider \$351,00 for the Long Term Ombudsman Program as #11 on the priority list.

The motion passed unanimously.

MOTION: Sen. Davis moved to consider \$200,000 one time for the Department of Health, Frontiers Project. Continuation as #12.

The motion passed unanimously.

MOTION: Sen. Buttars moved to consider State Hospital Forensic Beds for \$1,252,400 and State Hospital Clinical & OSHA standards, \$76,300 as #1 and #2 for FY 2005 supplementals.

The motion passed unanimously.

MOTION: Sen. Davis moved to consider local mental health Medicaid funding loss for \$815,000 as #3 supplementals.

SUBSTITUTE MOTION: Rep. Newbold moved that DCFS caseloads at \$801,200 be item #3.

The substitute motion failed in the Senate.

The original motion passed with Rep. Newbold and Rep. Last voting in opposition.

MOTION: Rep. Litvack moved to consider DCFS caseload for adoption subsidies at \$801,200 as supplemental #4.

The motion passed unanimously.

MOTION: Sen. Davis moved to consider \$300,000 for the aging services waiver.

After committee discussion, the motion was withdrawn.

MOTION: Sen. Davis moved to consider \$50,000 for the Frontiers Project.

The motion passed with Rep. McGee absent at the time of the vote.

MOTION: Sen. Davis moved to consider \$1,111,100 supplemental for federal maintenance of effort requirements regarding mental health and substance abuse block grants.

Analyst Nilsen and Randy Bachman, Director, Division of Substance Abuse and Mental Health, clarified questions on the maintenance of effort requirements. Mr. Bachman indicated if this is not funded, the state would lose \$1.1 million out of the Substance Abuse and Mental Health block grant.

The motion passed unanimously.

MOTION: Rep. Newbold moved the following Intent Language:

"It is the intent of the Legislature that funds appropriated to address the loss of Medicaid funds used for mental health services provided by local mental centers to non-Medicaid eligible clients be used solely for that purpose."

The motion passed with Sen. Davis and Rep. McGee absent at the time of the vote.

MOTION: Rep. Litvack moved that this committee go on record to encourage the Executive Appropriations Committee to consider a cost of living adjustment for employees of private providers of DSPD and DCFS and local mental health, substance abuse and aging authorities and local health departments that is similar to that granted State employees. I further move that the Executive Appropriations Committee consider additional funding for the increased costs of benefits for these employees, similar to the benefit cost increases funded for State employees.

The motion passed unanimously with Sen. Davis and Rep. McGee absent at the time of the vote.

4. Voting on Department of Health

MOTION: Sen. Buttars moved to adopt the base budget for the Department of Health for FY 2006 in the amount of \$1,702,912,800 with \$285,751,300 from General Fund, \$1,154,190,000 from Federal Funds and other funding as listed on page 5 of Tab 6 Health Summary. This includes funding which the Analyst has recommended for the programs listed in that same table. The individual program and line item budgets are found behind Tab 7 - 15 and are to be approved at the Analyst's recommended levels.

The motion passed unanimously with Sen. Davis and Rep. McGee absent at the time of the vote.

MOTION: (Question on a motion here about ? remove one time supplemental #7?) (Don't have who gave the motion, but the voting was unanimous. I think it was a Human Services issue)

MOTION: Rep. Mascaro moved to saunter. The motion passed unanimously.

Sauntered for two minutes until 4:40 p.m.

MOTION: Sen. Christensen moved to adopt the fees for the Department of Health for FY 2006: Executive Director's Office - Tab 3, Issue Brief HHS-05-12; Health Systems Improvement - Tab 3, Issue Brief HHS-05-13; Epidemiology and Laboratory Services - Tab 3, Issue Brief HHS-05-14, with the exception of the Newborn Screening: Routine first and follow-up screening fee found on page v, striking \$35.00 and inserting \$65.00.

The motion passed unanimously.

MOTION: Rep. Mascaro moved to adopt the following intent language for FY 2006 for the Department of Health:

"It is the intent of the Legislature that civil money penalties collected for child care provider violations be considered nonlapsing."

"It is the intent of the Legislature that the fees collected for the purpose of plan reviews by the Bureau of Health Facility Licensure, Certification and Resident Assessment be considered nonlapsing."

"It is the intent of the Legislature that civil money penalties collected for health care provider violations be considered nonlapsing."

"It is the intent of the Legislature that funds for the Primary Care Grants Program be considered nonlapsing."

"It is the intent of the Legislature that funding for the Primary Care Grants Program not be expended for inter-departmental projects except for Community Partnered Mobile Dental Services."

"It is the intent of the Legislature that funding for alcohol, tobacco, and other drug prevention, reduction, cessation, and control programs be considered nonlapsing."

"It is the intent of the Legislature that \$75,000 of immunization funding be considered nonlapsing and be used to purchase flu vaccine."

The motion passed unanimously.

MOTION: Rep. Davis moved to put Medicaid Utilization first on the priority list at \$15,107,000; Medicaid FMAP second on the priority list at \$9,346,400; and Medicaid Inflation third on the priority list at \$12,577,000.

The motion passed unanimously.

MOTION: Sen. Mascaro moved to add \$7,674,000 General Funds to be matched with \$18,884,700 from Federal funds to restore the Medicaid Dental program and to raise reimbursement fees to PEHP levels.

The motion passed with Sen. Killpack and Rep. Newbold voting in opposition.

Sen. Christensen declared a conflict of interest.

MOTION: Rep. Ray moved to place the Primary Care Grant at \$397,000 ongoing on the priority list.

The motion passed unanimously.

MOTION: Rep. Mascaro moved to place \$1,126,600 General Fund to the priority list, to be matched with \$2,773,000 from Federal funds for restoring the Medicaid Vision program.

The motion passed with Sen. Killpack voting in opposition.

MOTION: Rep. Litvack moved to place \$300,000 ongoing for the multi-cultural health center on the priority list.

The motion passed unanimously.

MOTION: Sen. Christensen moved to get the reimbursement rates for children's dental in FY 2005 with a supplemental appropriation of \$600,000.

The motion passed with Sen. Killpack, Rep. Newbold, Rep. Last and Rep. Tilton voting in opposition.

MOTION: Sen. Davis moved to put State Health Lab equipment at \$500,000 and Medicare Buy-in inflation at \$500,000 as #2 and #3 on the supplemental priority list.

The motion passed unanimously.

MOTION: Sen. Killpack moved to postpone recommending funding for the MMIS Replacement until next session to give the department more time to evaluate.

The motion passed unanimously.

MOTION: Rep. Mascaro moved the following intent language for the Department of Health:

It is the intent of the Legislature that if state funds are approved for Medicaid dental services for FY 2005-2006, an amount up to \$2.4 million be used to increase dental reimbursement rates for children and pregnant women to rates equivalent to rates paid by the Public Employees Health Plan; any additional funds up to \$3.8 million be used to restore adult dental services at the rates in effect when adult Medicaid dental services were eliminated from the Medicaid program; and any additional state money be designated to increase the reimbursement for adult dental services to levels equivalent to the Public Employee's Health Plan."

The motion passed with Rep. Newbold, Rep. Ray and Rep. Tilton voting in opposition.

MOTION: Sen. Davis moved to approve the following two items of Intent Language for the Department of Health for FY 2005:

"Under the terms of UCA 63-38-8-1, the Legislature intends to make nonlapsing item 114, Chapter 256, Laws of Utah 2004. Expenditure of these funds is limited to \$200,000 for laboratory equipment and/or software, and

building improvements."

"It is the intent of the Legislature that the \$500,000 appropriation for Health Laboratory equipment be considered nonlapsing."

The motion passed unanimously.

MOTION: Sen. Davis moved the committee adopt as a priority list for additional funding the Department of Health the items already moved upon in the meeting today.

The motion passed unanimously.

MOTION: Sen. Buttars moved to saunter.

The committee sauntered until 5:30 p.m.

MOTION: Rep. Litvack moved to accept the printed Health and Human Services Priority List (copy attached), inserting as #8 and #9, Part D Medicaid at \$94,400 and Payment Error Rate Measurement (PERM) at \$75,800.

The motion passed unanimously.

MOTION: Sen. Buttars moved to make Medicaid dental #2 on the priority list and Medicaid vision #3, with the other items remaining as previously approved.

The motion passed with Sen. Killpack, Rep. Newbold, Rep. Last and Rep. Last voting in opposition.

MOTION: Sen. Davis moved to adjourn. The motion passed unanimously.

Co-Chair Killpack adjourned the meeting at 5:43 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Merlynn T. Newbold
Committee Co-Chair